TESTIMONY OF DAVID HAMILTON, DIRECTOR,
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BEFORE THE SUBCOMMITTEE ON ENERGY AND AIR QUALITY OF
THE HOUSE COMMITTEE ON ENERGY AND COMMERCE
REGARDING THE UPCOMING ENERGY POLICY ACT OF 2005

February 16, 2005

Thank you, Mr. Chairman, for inviting the Sierra Club to testify on national energy legislation. My name is David Hamilton, and I am the Director of Global Warming and Energy Programs at the Sierra Club. The Sierra Club is a non-profit, non-partisan organization with about 750,000 members and chapters in 50 states and Puerto Rico.

Introduction

I am here today to comment on behalf of the Sierra Club on the upcoming Committee energy bill. I am very hesitant to address a bill I have not yet seen. But at the instruction of Committee staff, I am treating the Energy Policy Act OF 2005 as if it will have identical provisions to the H.R. 6 Conference Report from the 108th Congress.

Though I am testifying today on the Oil, Natural Gas, and Motor Fuels panel, we appreciate the Committee's open invitation to make a broader comment on the bill. In as much as the Chairman and the Committee have chosen to make H.R. 6 and its successor a package rather than considering various provisions separately, it behooves us to look at the bill as a whole as the Congress again begins the process of considering the appropriate answers for our national energy problems.

Mr. Chairman, the Sierra Club believes that our nation can have an energy policy that provides the needed resources for economic development, creates jobs for American workers, reduces energy costs and makes them more predictable for consumers, and respects and preserves our environment. We believe that, while such a policy requires that Americans be better educated about their energy choices, our nation brims with the ingenuity, creativity and drive required to solve our energy problems in a way that is, to use an overused word, sustainable. That means that we can prosper today while leaving our children and grandchildren equivalent assets and quality of life that they might prosper themselves in their maturity.

The Sierra Club believes that H.R. 6 did not provide the kind of energy policy I just described. We strongly opposed H.R. 6 and it is likely we will strongly oppose the Energy Policy Act of 2005. We believe that the bill fails to measure up to an energy policy worthy of the nation in myriad ways. To say that it subverts existing environmental protections is to grossly understate the case. It leaves consumers with less protection from violent swings and steady upward pressure on energy prices. H.R. 6 gives vast subsidies to fully established industries and purports to support new, cleaner energy industries with one hand while it undercuts them with the other.

It Won't Solve the Problem --

But perhaps the greatest flaw of H.R. 6 is that it doesn't even address, much less solve many of our most thorny and pressing energy problems. The flaws in this energy bill can be traced to its origins and evolution from the 2001 report of the National Energy Policy Development Group, administered by the Vice President. Our issues with the secretive process of the Cheney Energy Task Force are on record with the Supreme Court and in the media. Our criticism of its results, however, stem from the assumption that a single-minded focus on increasing conventional energy supply is capable of solving the energy-related problems faced by our nation.

As reflected by the Task Force report, that panel responded to natural gas and gasoline price hikes of 2001, and operated from the conclusion that we don't have enough energy and that our problems could largely be solved by simply augmenting our supplies of coal, oil, natural gas, and nuclear electricity. They looked at our existing energy sectors and asked what can we do for the coal industry to make more coal-fired electricity. It asked what we can do for oil and natural gas to get more energy. How do we get nuclear power going again?

The fundamental flaw of this approach is that both the NEPDG and H.R. 6 fail to address critical problems inherent in our energy system. Ironically, they are many of the same problems that motivate voters to create the political momentum to pass a bill, such as high gasoline prices. These problems will not be solved simply by an increase in energy supply.

The Sierra Club believes that our most pressing energy problems are:

1.) **Our Dangerous Dependence on Petroleum –** H.R. 6 fails to protect American families from steadily increasing upward pressure on crude oil and gasoline prices. We continue to be reliant on politically unstable regions for the underpinning of our transportation system, and, by the judgment of the Energy Information Administration (EIA), H.R. 6 will not fundamentally affect the price and supply of oil. This remains true despite the scores of times that high gasoline prices have been used as a reason we need to pass this bill. It remains true despite the blitzkrieg of drilling for oil and gas that the bill unleashes on the wild areas of the United States. We use 25 percent of the world's oil supply and hold less than 3 percent of the world's reserves. We can open every square foot of our nation to fossil fuel exploration, and it will not begin to solve our problem.

   Our oil dependence saps our resources as prices rise, skimming the cream off of our economy and causing unpredictable cost swings for consumers. Crude oil prices have risen from the mid $20s per barrel to the mid $40s since 2000. Our failure to address our dependence on oil has cost literally trillions of dollars, according to Oak Ridge National Laboratory. Again, H.R. does nothing to materially solve the problem.

Perhaps more importantly, H.R. 6 fails to protect American soldiers from the need to secure adequate future oil supplies. Without steps to actually save oil and stem the rising percentage of oil supply that is imported, the only alternative is to follow the NEPDG report's strategy of cajoling and using diplomatic leverage in oil-producing regions around the world and somehow motivate a near doubling of oil production over the next two decades. If that doesn't work, Mr. Chairman, what is our option?

In our view, Mr. Chairman, solving our oil dependence problem is a matter of life and death. But this bill does not do it.

2.) **Global Warming –** It should not escape our notice, Mr. Chairman, that the Kyoto Protocol goes into effect today. The willful refusal of the United States to respond to the accumulated scientific evidence of global warming when we are responsible for far and away the greatest share of greenhouse gas emissions of any nation in the world constitutes an ongoing and growing national disgrace.

Last year's multi-nation study of the effects of warming on the Arctic region shows that the environmental effects of global warming are advancing more quickly than scientists previously believed. There has been widespread melting of glaciers and sea ice as well as significant shortening of the snow season that carries dire implications for local populations and wildlife species. 2004 research on ocean chemistry revealed much about carbon absorption in our oceans and points up the vulnerability of their chemical and acidic balance. The geographic ranges of many plant and animal species are changing. Several noted climate scientists are warning of a potential "tipping point" at which the effects of warming accelerate and perhaps result in dramatic and permanent changes in our natural systems.

It is with growing incredulity that the rest of the industrialized world views the effectiveness of energy industry disinformation campaigns with the American public. It is with growing distress that many Americans view the unresponsiveness of our political leaders to the significant and ominous results of the scientific inquiry thus far. Our lack of action to address global warming raises concern about the capacity of the U.S. Congress to respond to a genuine environmental emergency in the public interest.

Further, even measures in H.R. 6 described as the key to a "cleaner" future are expected to be ineffective. The incentives in the bill for "clean coal" technology – though the Sierra Club has significant concerns over whether coal can be truly clean -- have been argued to be a hedge against global warming. But EIA estimates that between now and 2025, 77 gigawatts of new coal capacity will be built in the U.S. Their estimate is that only 7-8 gigawatts, or roughly 10 percent of that total will be advanced clean coal technology. The lion's share of the new coal capacity is expected to be dirty, pulverized coal that could cripple

prospective efforts to curb domestic global warming emissions and eviscerate demand for cleaner alternatives.

There are currently 60 gigawatts of new coal capacity – or roughly 100 new plants – in the application pipeline across the country. Less than 10 percent of the new proposed capacity is IGCC, or another form of gasification. There is currently little attention being paid to the fact that possibly irrevocable national global warming policy is being made in hundreds of individual decisions around the country. These decisions by state agencies, public utility commissions, and the courts may well determine our ability to do anything about global warming in the future. They will certainly affect future demand for cleaner alternatives such as renewable energy and energy efficiency. As far as I know, no Committee in Congress or agency of the federal government has officially regarded this development as a matter of concern. We urge the Committee to address the implications of this new "coal rush" as soon as possible.

3.) **Fluctuating and Increasing Energy Prices** – American energy consumers remain at the mercy of not only periodic violent swings in consumer energy prices, but a steady upward pressure on oil and natural gas prices that has proven financially difficult, if not devastating for many American families. The remedies for our energy woes prescribed by H.R. 6 assume that solving the problems of the energy industries will solve problems for consumers.

In fact, energy efficiency and demand reduction programs for oil, natural gas, and electricity have proven extremely fruitful solutions for price stability by reducing the likelihood of price spikes, and fostering broad-based economic returns and development. Unfortunately, demand reduction and efficiency programs received wholly insufficient attention in H.R. 6.

4.) **Other Critical Environmental Damage** – Beyond global warming, H.R. 6 fails to assign environmental quality the value it deserves in our society. There is a long list of environmental harms in this bill. Provisions will likely result in increased mercury contamination of waterways, the opening of some of our most environmentally sensitive and valuable lands to oil and gas drilling, increases in childhood asthma, water pollution, and wholesale landscape destruction caused by mountaintop removal and other forms of coal mining. The strategy behind H.R. 6 simply fails to solve our energy problems in a way that attempts to minimize environmental damage.

We expect that when combined with provisions from the Resources Committee, the bill will again include the opening of the Arctic National Wildlife Refuge to oil and gas production. This is another example of how a myopic strategy of "more energy" fails to take into account the value of pristine wilderness or calculate the benefits to Americans of wild areas that will remain protected. Opening the Arctic Refuge to drill for oil that will supply us for only a few months – that won't begin to flow until 10 years after approval – will neither

solve our oil dependence problems nor even noticeably delay them. We need better solutions that structurally change the equation.

5.) **Distorted Energy Values –** It is the year 2005, and we still fail to incorporate the societal costs of our energy system into the wholesale and retail prices of energy end products. We willfully ignore the costs of energy use to public health, the environment, diplomatic and military defense of our oil and gas supplies, and a system of accumulated subsidies that serves the haves at the expense of the have-nots and, while it continues to supply energy to American families, it does so on highly unfavorable terms.

The Sierra Club urges the Congress to take a very close look at the complex web of U.S. energy subsidies with the intention of revealing the true relative costs of energy sources. The idea that U.S. energy consumers are somehow protected from extra energy costs by federal subsidies only obscures the true market value of energy. The distortion in true economic value that results from this system penalizes Americans and makes the job of choosing the most beneficial energy investments even more difficult.

Though the federal government has agreed to take control of utilities' nuclear waste, taxpayers will still be paying the cost of its maintenance for 150,000 years, as well as the industry's liability insurance through the Price-Anderson Act. The cost of the Iraq war should be added to our price at the gas pump in order that we understand the relatively low cost of fuel efficiency. The public pays the health costs of high mercury concentrations in fish, exploding rates of childhood asthma, and depleted crop and lumber yields from acid rain – all ancillary costs of our energy use. That is not to mention the existing labyrinth of tax breaks for the oil, coal, gas, and nuclear industries.

Even the relatively small subsidies for energy efficiency and renewable energy should be put on the table, as we believe a transparent and equitable system – the theoretical "level playing field" – will result in a much bigger gain than loss for cleaner energy sources and a better system for the nation. A party that champions the free market should relish the opportunity to clear the air in this fashion.

Broaden the Criteria

H.R. 6 might have better addressed our range of energy problems if some additional criteria had been set to evaluate potential energy policies beyond more-energy-is-better. An energy policy based on industry wish-lists is good for energy companies, but we need an energy policy that is good for Americans – not just for the next quarter or next year, but through the lives of our children and grandchildren. If many of the criteria below were used to evaluate provisions considered for H.R. 6, I believe we would have ended up with an energy bill that looks largely different. We recommend the following criteria:

- Prioritize policies that *actually reduce* price and supply volatility above and beyond simply providing marginal increases in output;
- Favor policies that reduce future greenhouse gas emissions, criteria air pollution, or water pollution and their inevitable future costs;
- Seek measures that maximize the overall benefit to the taxpayer and American families, factoring in environmental externalities and equalizing for the level of public subsidy currently provided for that industry;
- Favor strategies that will create broad-based economic development and job creation rather than profit for narrow existing industries;
- Energy policies should enhance genuine free market competition within an industry and prevent concentrations of market power that can potentially harm American families and create the atmosphere of abuse that led to the Enron scandal and its self-dealing and price fixing;
- Set a very high bar for requests by industries to eliminate environmental measures as regulatory barriers to increased production, requiring that there be significant evidence that the environmental regulation has actually depressed production – not just increased costs or proved a nuisance to producers – and require evidence that the benefit would significantly outstrip the existing benefit to public health and the environment of the regulation;
- Consider the conveyance of drilling rights on environmentally sensitive and protected lands something that should occur as a lat resort – after cheaper, cleaner options like energy efficiency are fully exploited.

We hold that had a least-cost priority structure for energy policy options been used to build our energy policy – H.R. 6 would have been much more focused on demand reduction strategies and fostering renewable energy than it is now. By participating in a process that sought to fill industry wish-lists, and then allowed those measures with the most political muscle behind them to survive, Congress has done the nation a disservice and put its future economic, environmental, and military security at the mercy of highly volatile markets without solving the problems inherent in our reliance on those markets.

One of the many benefits of energy efficiency programs is the level to which they insure energy markets against price and supply shocks – or even rescue them as in the case of the California electricity crisis of 2001. Failure to even attempt the most rudimentary assistance to states or incentives for creating and sustaining strong energy efficiency programs is a glaring indicator that the power of these options is either being misunderstood or ignored by the U.S. Congress.

What H.R. 6 is Missing

We believe that H.R. 6 vastly under-utilizes both energy efficiency and renewable energy options. Due to the skewed costs of energy caused by the tangled web of subsidies and the omission of many environmental costs from the end-use price of energy, both energy efficiency and renewable energy are economically under-valued. Further, political opposition by affected industries have forced some energy efficiency measures – such as an increase in fuel economy standards – completely off the table.

Drill in Detroit: We must Increase the Fuel Economy of Our Vehicles

Mr. Chairman, there is no way that we can drill our way out of the economic, environmental, and political difficulty caused by our dependence on oil supplies and the inevitable rise of our level of imports past 60 percent. U.S. domestic oil production has fallen steadily since 1970 and will continue to fall inexorably over time whether we drill in the Arctic, on the Rocky Mountain Front, or under this building.

Our greatest, most available untapped domestic source of oil is that which we waste by failing to adopt existing energy saving-technologies in our light duty vehicles. We have the technology to significantly improve fuel economy and reduce pressure on international oil prices by cutting domestic oil demand. Over the past 20 years, advanced transmissions, ignitions, lightweight (but strong) materials, hybrid electric drive trains, and other technologies have shown that significantly improving fuel economy is no longer a technological obstacle. It's the political obstacle that remains, Mr. Chairman.

If all of the vehicles in the U.S. averaged 40 miles per gallon (mpg) we would save over 3 million barrels of oil each day, more than the United States currently imports from the Persian Gulf and could ever extract from the Arctic National Wildlife Refuge, combined. Getting 40 mpg would cut global warming pollution by 600 million tons a year and save consumers more than $45 billion each year at the gas pump.

Mr. Chairman, new research shows that advanced technologies and engineering strategies largely put to rest the claim that increasing fuel economy necessarily decreases auto safety. Auto safety is a question of the specific engineering of vehicles, not a simple inverse relationship between size and weight. In fact, recent research by Dr. David Greene at Oak Ridge National Laboratory shows that much of the safety data that had been used to fight increases in fuel economy has been misinterpreted and misused over the years. While we must continue to make our vehicles safer for our families, we can make strides toward more fuel efficiency at the same time.

Further, while they might disagree, we believe that the adoption of new technology is critical to providing consumers what they want and maintaining the competitiveness of the domestic auto industry. In an echo of the 1970s, resistance by domestic manufacturers to incorporating hybrid electric drive technology in vehicles has allowed Honda and Toyota to jump way ahead in the marketing of hybrid vehicles. Thus far, hybrids have proven very popular and many models have waiting lists of many months. The addition of the Ford Escape hybrid SUV last summer was a positive development, and the strong demand has encouraged them to increase their production for 2005.

By failing to get serious about reducing demand for oil in our transportation system, we set up a situation where our only alternative is to diplomatically or – if necessary – militarily secure oil supplies from other nations, opening worldwide supply lines to attack or disruption by terrorists. Mr. Chairman, without an aggressive program to reduce demand and insulate our economy from price and supply shocks, we may doom ourselves to fight one oil war after another after another in order to allow our citizens to maintain

their lifestyle. Mr. Chairman, that is not a situation I want for my children, and one that I believe is not necessary if we pursue cost-effective options available to us.

Energy Efficiency: A Powerful Economic Development Tool

Mr. Chairman, I was pleased to see recently that you have joined the leadership of the Alliance to Save Energy as a vice-chair. Before joining the Sierra Club, I was policy director of the Alliance for eight and a half years. Your contribution to that fine organization displays your understanding and appreciation for the broad-based economic power of using energy more efficiently.

Too often, Mr. Chairman, people view energy efficiency as doing little things to save a nickel here and dime there. But as you understand through your work with the Alliance, energy efficiency is a potent, powerful tool for economic development and environmental protection that showers benefits across economic sectors, creates jobs for American workers, makes us more competitive internationally, and offers solutions to many of the problems of our energy system discussed previously.

In addition, too many people consider demand and supply side options as wholly different things. As you know, and the Alliance to Save Energy trumpets every day, energy efficiency programs extend and increase energy supply just as surely as if we pumped it out of the ground or mined it. In fact, it can increase energy supply more cheaply than building new power plants or sinking new oil and gas wells.

Unfortunately, H.R 6 fails to exploit energy efficiency to a meaningful degree. There are useful provisions, such as the addition of a variety of products for which the Department of Energy must set energy standards and roughly $3 billion over 5 years for highly efficient products and practices. Overall, however, Mr. Chairman, the bill fails to pursue energy efficiency commensurate with other energy sources or do more than scratch the surface of the potential benefits available from using energy more efficiently.

The American Council for An Energy Efficient Economy estimates that the energy efficiency provisions in H.R. 6 would improve our nation's overall efficiency level by a mere 1.5 percent over an 18 year period. By contrast, aggressive energy efficiency efforts in states like Vermont and California are currently achieving electric efficiency gains of greater than 1 percent ***per year.***

In his testimony before your Committee last week, ACEEE Executive Director Steven Nadel described their research on the potential effect of aggressive energy efficiency programs on natural gas prices. ACEEE concluded that achieving a savings target of 4 percent per year can result in a 25 percent reduction in natural gas prices and a national economic savings of $100 billion by 2010. No proposed means of simply increasing gas supply has the potential to provide the same level of benefits to American families and the environment.

In October, 2004, Mr. Chairman, the research organization Redefining Progress released a study that detailed the potential economic results of a suite of energy efficiency and renewable energy programs. The results of the Redefining Progress report showed that making the kind of investments in energy efficiency and renewable energy that are available to us now would result in the creation of 1.4 million new jobs over and above the business as usual case by 2025. In addition American families would achieve an average household savings on energy costs of $1,275 per year while the nation would benefit from reduced foreign oil dependence and significantly lower greenhouse gas emissions. Mr. Chairman, with potential results for American families like these on the table, strong clean energy policies should be a no-brainer for the nation.

There are a variety of options that have been proposed to better exploit potential energy efficiency resources in the electric sector. Those include an energy efficiency standard structured similarly to the one in Texas, or a public benefits fund that mirrors many of the most effective efficiency programs currently being carried out in a variety of other states. The Alliance to Save Energy estimates that a national public benefits fund would save 440 billion kWh per year, reduce peak electricity demand by 160,000 MW (the equivalent of 503 300MW power plants), save consumers a net $68 billion dollars, and prevent annual carbon dioxide emissions of 96 million metric tons by 2020.

We urge that the Committee incorporate such ambitious energy efficiency provisions in the Energy Policy Act of 2005. Such measures would begin to balance the bill's myriad benefits for energy industries with ones that benefit the American public.

Renewable Energy: Clean Power for the Future

Mr. Chairman, the Senate has twice sent a proposal for a renewable energy standard to the House, only to have it removed in a Conference Committee. We applaud the inclusion of the renewable energy production tax credit (PTC) in H.R. 6, which both extends the tax credit for the production of electricity by wind energy and broadens that credit to include additional renewable energy sources. If the nation is to take global warming seriously, however, we need to maximize the future share of our electricity that will come from clean renewable sources.

The Senate provision would require electricity companies to increase the share of renewable energy in the mix of their power sales to 10 percent by 2020. The enactment of this provision would increase renewable energy electricity production in the U.S. from about 18,000 megawatts in 2002 to approximately 80,000 megawatts in 2020. An analysis by the Union of Concerned Scientists (UCS) analysis found that the Senate-passed 10 percent renewable electricity standard, in combination with the expanded and extended PTC, would result in a $12.6 billion savings for consumers and taxpayers through 2020.

The Sierra Club strongly urges the incorporation of a renewable energy standard at least as strong as that passed twice by the Senate. The benefits of renewable energy will accrue to future generations as the low environmental and fuel cost of the power becomes

more fairly valued. These young industries deserve at least the consideration given to nuclear energy by the federal government in the 1950s, when it passed measures to assist that industry.

Environmentally Harmful Provisions of H.R. 6

Providing an in-depth analysis of the environmentally damaging provisions of H.R. 6 would have been such an extensive and discouraging task, that I appreciate the Committee's permission to a give a broader treatment of what we believe the energy bill should look like. We cannot turn away, however, from a set of provisions that constitute an aggressive attack on environmental protection in the U.S.

We urge that the Committee reconsider and remove the following provisions from the successor to H.R. 6. While we have no illusions that this will take place, this assault on the environment in the name of increased energy production should not go forward. Most of the following proposals do not serve the American public or solve our nation's major energy-related problems. The continued inclusion of the vast majority of these provisions will secure the continued opposition of the Sierra Club to House energy legislation.

Damaging Public Health

- Allows more smog pollution for longer than the current Clean Air Act
- Exempts all oil and gas construction activities from certain stormwater runoff provisions of the Clean Water Act
- Delays air pollution clean up in southwestern Michigan for two years.
- Dramatically increases air and global warming pollution with incentives for burning coal, oil and gas.
- Inhibits deployment of "clean coal" by disqualifying federally-funded clean coal projects as "best available control technologies" that must be adopted by other coal-powered industrial facilities.
- Threatens drinking water sources.
- Fails to ban MTBE
- Gives legal protection and exemption to owners of abandoned oil and gas wells.
- Encourages the mixture of hazardous wastes in concrete products as an alternative to safe disposal.
- Fails to include standards for providing clean, renewable energy sources.

- Allows electric utilities to enter into emission trading with mobile sources.
- Fails to do anything to address global warming.
- Provides millions in taxpayer funds to uranium companies for polluting mining practices that threaten drinking water aquifers.
- Sets dangerous precedent for arbitrarily reclassifying radioactive waste.

Attacking Public Lands and Resources

- Allows the Interior Secretary to designate utility and pipeline corridors across public lands without seeking public input.
- Opens the National Petroleum Reserve Alaska for oil and gas production.
- Allows the Secretary of Energy to permit electric power lines across federal public lands.
- Allows applicants for federal drilling permits to take up to two years to comply with application requirements
- Expedites the permitting and completion of energy projects on federal lands.
- Requires the U.S. Geological Survey to identify "restrictions and impediments" to the development of federal oil and gas deposits.
- Expedites the approval of energy projects in the Rocky Mountain region.
- Lifts the limitation on the amount of federal oil and gas acreage one entity can control, encouraging monopolization.
- Mandates the siting of a high voltage electricity transmission line through the Cleveland National Forest and other public lands.
- Encourages oil and gas development under Padre Island National Seashore.
- Waives existing National Environmental Policy Act (NEPA) environmental review and public participation process for all types of energy development projects on Indian lands.
- Grants the hydropower industry unprecedented rights to appeal environmental

- Authorizes $550 million for timber companies to log trees in our national forests

- Permits activation of an energy cable that is running the length of the Long Island Sound and that is in violation of both state and federal permits.

Attacking Coastal Areas

- Seeks to create unprecedented streamlined authority for the Department of Interior to permit new energy projects in the Outer Continental Shelf (OCS).

- Weakens states' ability to have a say in projects and federal activities that affect their coasts.

- Circumvents the environmental review process for construction of storage facilities and terminals for LNG on the OCS

- Creates incentives for expanded offshore oil and gas drilling.

- Promotes coastal drilling through revenue sharing

- Gives away taxpayer owned oil and gas to the petroleum industry in fragile Alaskan waters.

- Promotes the development of all Outer Continental Shelf lands through two ill-defined studies of energy resources within the OCS.

Hurting Consumers & Taxpayers

- Gives billions of dollars in tax breaks and subsidies to energy companies.

- Tax breaks are even provided for technologies that will increase pollution, including

    - creating a program to assist and encourage companies to develop "ultra deepwater and unconventional" gas reserves.

    - mandating royalty exemptions for offshore wells deeper than 400 meters;

    - allows the Secretary of the Interior to reimburse oil and gas companies for environmental review of their projects;

    - creating a new, first-ever $1.5 billion tax break for burning coal,

- Requires taxpayers to pay up to $2 billion to clean up leaking underground storage tanks.

- Provides $2 billion in "MTBE Conversion Assistance" for oil companies.

- Preempts state authority to site transmission lines, based on very vague criteria, for every state but Texas.

- Extends for 20 years the limits on liability for nuclear plant operators in case of a catastrophic accident.

- Repeals the PUHCA, the main law to protect consumers from market manipulation, fraud, and abuse in the electricity sector.

- Authorizes a $1.1 billion nuclear reactor in Idaho, with a potential exemption from Federal management rules.

- Leaves landowners, ranchers and others affected by oil and gas development powerless to protect their land and water from development activities.

- Waives existing law and mandates expeditious oil and gas leasing throughout the NPR-A, and allows for waivers of all royalties due the taxpayers as a result of leasing of these lands.

- Spends $3.7 billion for polluting coal-based technologies.

- Allows the Interior Department to reimburse the oil and gas industry from federal royalty revenues for the costs of environmental analyses.

- Reverses the Federal Power Act's consumer protection requirements by allowing parties to enter into contracts that can only be challenged by the Federal Regulatory Commission prospectively.

- Authorizes the Energy Department to provide open-ended U.S. loan guarantees for coal-to-synthetic-diesel fuel projects.

- Allows the Interior Department to compensate oil and gas companies 115 percent of the costs of cleaning up abandoned wells on public lands.

- Limits the Bureau of Land Management's ability to receive fair market value for utility corridors crossing public lands.

- Gives production tax credits to conventional nuclear reactor.

- Increases the burden of proof on the Commodity Futures Trading Commission in cases of investigations of market manipulation and/or reports to investors.

Undermining National Security

- Reverses a long-standing U.S. nuclear non-proliferation policy against reprocessing waste from commercial nuclear reactors

- Fails to reduce the nation's dependence on oil by improving the fuel economy of our cars, trucks and SUVs.

- Extends the Dual-Fueled Vehicles loophole that allows automakers to get CAFE credit for producing vehicles that can run on alternative fuels.

- Makes it more difficult to update fuel economy standards.

- Fails to develop and implement a plan to reduce oil consumption by at least one million barrels per day by 2013.

- Fails to ensure deployment of hydrogen fuel cell vehicles

- Reverses 10-year policy of restricting the export of bomb-grade uranium for the benefit of one company.

- Reclassifies undefined "residual" amounts of depleted uranium as "low-level" radioactive waste, thereby making it subject to far less secure handling and disposal protections.

- Strikes down requirements in current law for utilities to diversify and decentralize the electricity supply by renewable power.